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Subject: Reg Z - Truth in Lending

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Comments:

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Proposal: Regulation Z - Truth in Lending  
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I can see the importance to the changes to Reg Z for Credit Cards and open-end lending programs such as personal lines of Credits and Home Equity lines of Credit. What does not make sense is adding in the Multi Featured Open-end lending products, such as auto loans or personal installment loans. These types of accounts typically have payment books, or automatic deductions on a monthly, semi-monthly or bi-weekly basis. Let's not fix what isn't broken. Credit Unions typically send monthly statements for sharedraft accounts, LOC's & HELOC's; and quarterly statements for Savings and other loans. Not only will this new regulation require additional costs in statement mailings, but will force the issue of inconveniencing the member in changing due dates. The purpose of the change needs to be revisited. It was suppose add protection to the consumer from unscrupulous lenders, instead it has added expense to the credit union which in turn affects the members as well as inconvenience. In the recent Conference Call a question was posed about continuing to send out quarterly statements, but listing the due dates for the next three months. The Federal Reserve stated that was not the intent...yet nothing states how far ahead of time you notify the member, only that they need at least 21 days notice. We cannot be expected to know the intent, if it is not spelled out specifically. Core Processors are working over-time to comply, however there was not enough time given for them to be able to update their systems that quickly. If we cannot be in compliance within the guideline provided, then we run the risk of reporting to the credit bureau inaccurately. True delinquent accounts would report current, not because they are current, but because of a technicality. It used to be unethical to report inaccurate information to the credit bureau, but now it's ok...doesn't make sense. Please revisit the changes proposed...and get back to the real purpose; protection, not complication & inconvenience.